



OFFICE OF  
INSURANCE COMMISSIONER

4128 02/14/06 \$50,000.00 ✓

In the Matter of

THE STANDARD FIRE INSURANCE  
COMPANY, TRAVELERS INDEMNITY  
COMPANY, THE CHARTER OAK FIRE  
INSURANCE COMPANY, PHOENIX  
INSURANCE COMPANY, TRAVCO  
INSURANCE COMPANY, TRAVELERS  
INDEMNITY COMPANY OF AMERICA,  
~~AUTOMOBILE INSURANCE COMPANY~~  
~~OF AMERICA~~, AUTOMOBILE  
INSURANCE COMPANY OF HARTFORD,  
CT, and TRAVELERS HOME AND  
MARINE INSURANCE COMPANY,  
Authorized Insurers.

ORDER No. D05-416

CONSENT ORDER  
IMPOSING A FINE

CS 3/1/06 per T. Parker  
and for OIC

FINDINGS OF FACT

CS 3/1/06 per T. Parker  
and for OIC

1. The Standard Insurance Company, Travelers Indemnity Company, the Charter Oak Fire Insurance Company, Phoenix Insurance Company, Travco Insurance Company, Travelers Indemnity Company of America, ~~Automobile Insurance Company of America~~, Automobile Insurance Company of Hartford, CT, and Travelers Home and Marine Insurance Company, known collectively as "The Travelers Companies" are affiliated insurance companies which are authorized to transact insurance in the State of Washington.
2. From 1996 through December 22, 2004, the Traveler Companies charged unfiled and unapproved late, service and billing fees to Washington insureds. These charges were not included in the premium specified in the policies.
3. The Travelers Companies filed these late, service and billing fees with the Office of the Insurance Commissioner (OIC) on July 15, 2004. The filing was approved, effective December 23, 2004.

### CONCLUSIONS OF LAW

The Travelers Companies' charging of unfiled fees violated RCW 48.19.040.

### CONSENT TO ORDER

The Travelers Companies consent to the entry of this Order, waive further administrative or legal proceedings in this matter and agree to adhere to the approved July 15, 2004 filing unless and until a future filing is made and approved. By agreement of the parties, the Commissioner will impose a fine of \$62,500, of which \$12,500 will be suspended for two years from the date of entry of this Order, upon the following conditions:

- (a) That the Travelers Companies will pay the unsuspended \$50,000 of the fine within 30 calendar days of the entry of this Order; and
- (b) That none of the Travelers Companies will violate any of the statutes which are the subject of this Order, within the period of two years after the entry of this Order; and
- (c) If the Travelers Companies pay the unsuspended \$50,000 in full within 30 calendar days of the entry of this Order, and if none of the Travelers Companies violate any of the statutes which are the subject of this Order within two years of the entry of this Order, then at the expiration of the two years, the Commissioner will waive the suspended \$12,500 of the fine.<sup>1</sup>

Failure to pay the non-suspended portion of the fine or to fulfill the stated conditions within the allotted time shall constitute grounds for recovery of the full fine, including the suspended portion, in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington. It will also constitute grounds for revocation of the Travelers Companies' certificates of authority.



Printed Name Frank Sadowski

Printed Corporate Title Associate Group General Counsel

<sup>1</sup> "The Travelers Companies," in reliance on Sheldon v. ASI, 123 Wn. App. 12, 95 P.3d 391 (2004), and Blanchard v. Allstate, 774 So. 2d 1002 (2000), expressly reserve their right to assert that they have not violated the law in legal proceedings with any agency, private party or entity. "The Travelers Companies" agree not to assert that position insofar as the Washington OIC is concerned and, as above-stated, agree to file the fees at issue prospectively.

**ORDER**

Pursuant to RCW 48.05.185, the Insurance Commissioner imposes a fine of \$62,500 upon the Travelers Companies, of which \$12,500 will be suspended two years after the entry of this Order, upon the following conditions:

1. The Travelers Companies will pay the unsuspended \$50,000 of the fine within 30 calendar days of the entry of this Order; and
2. That within two years of the entry of this Order, none of the Travelers Companies commit any additional violation of the statutes which are the subject of this Order.

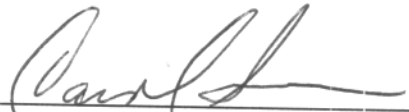
If the Travelers Companies comply with these two conditions, then at the end of two years after the entry of this Order, the Commissioner will waive the suspended \$12,500.

If the Travelers Companies fail to timely pay the unsuspended \$50,000, or if any of the Travelers Companies violates any of the statutes which are the subject of this Order, then the suspended \$12,500 of the Order will become immediately due and payable, together with such other fines and sanctions which may result from such additional violations. In addition, failure of the Travelers Companies to timely pay the unsuspended \$50,000 shall constitute grounds for the suspension, revocation, or refusal to renew the Companies' certificate of authority held by any or all of the Travelers Companies.

Any such failure to timely pay the unsuspended portion of this fine shall result in the entire amount of the fine being recovered in a civil action brought by the Washington State Attorney General on behalf of the Insurance Commissioner.

ENTERED AT TUMWATER, WASHINGTON, this 25<sup>th</sup> day of January, 2006.

MIKE KREIDLER  
Insurance Commissioner

By   
Carol Sureau, Staff Attorney